

# San Ardo Union Elementary School District



August 8, 2001

Grand Jury  
P.O. Box 414  
Salinas, CA 93902

Re: Response to findings of the 2000 Grand Jury Final Report

Gentlemen:

Following is our reply:

Finding #1

The California State Lottery Act of 1984 does not prohibit school districts from spending lottery funds on salaries.

Finding #2

We are pleased that the lottery funds in Monterey County Schools are not spent for prohibited purposes.

Finding #3

San Ardo School District has not acquired new real property, constructed new facilities, nor commissioned any research, so there is no concern that lottery money is not spent properly. Our 50% increase of the lottery funding is in a separate restricted account and is used for textbook and instructional material purchases.

Finding and Recommendation #4

The Cardenas Textbook Act of 2000 accounts for 50% of the increase in lottery funding. This money is separated from the rest of the lottery income and placed in a restricted account. Expenditures of these funds is subject to yearly audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeane Errea".  
Jeane Errea  
Board President